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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-928]

Uncovered Innerspring Units from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review; 2014-2015

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the "Department") is conducting an administrative review of the antidumping duty order on uncovered innerspring units from the People's Republic of China ("PRC"), for the period of review ("POR"), February 1, 2014, to January 31, 2015.

The Department preliminarily determines that Macao Commercial and Industrial Spring Mattress Manufacturer ("Macao Commercial") had no reviewable shipments of subject merchandise during the POR. We also preliminarily determine that East Grace Corporation ("East Grace") has not established its entitlement to separate rate status and, therefore, is being treated as part of the PRC-wide entity. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.]

FOR FURTHER INFORMATION CONTACT: Kenneth Hawkins, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6491.

SUPPLEMENTARY INFORMATION

Background

On February 19, 2009, the Department published in the *Federal Register* an antidumping duty order on uncovered innerspring units from the PRC.¹ On June 30, 2014, the Department received a request from Petitioner² to conduct an administrative review of East Grace and Macao Commercial.³ On April 3, 2015, the Department initiated this review based on Petitioner's review request.⁴ On May 11, 2015, the Department issued its standard antidumping duty questionnaires to East Grace and Macao Commercial.⁵ Macao Commercial provided timely responses to the Department's initial and supplemental questionnaires. East Grace did not respond to the Department's standard questionnaire and has not participated in this proceeding.

Scope of the Order

The merchandise subject to the order is uncovered innerspring units composed of a series of individual metal springs joined together in sizes corresponding to the sizes of adult mattresses (e.g., twin, twin long, full, full long, queen, California king and king) and units used in smaller constructions, such as crib and youth mattresses. Uncovered innersprings are classified under subheading 9404.29.9010 and have also been classified under subheadings 9404.10.0000, 9404.29.9005, 9404.29.9011, 7326.20.0070, 7320.20.5010, 7320.90.5010, or 7326.20.0071 of the Harmonized Tariff Schedule of the United States ("HTSUS"). The HTSUS subheadings are

¹ See *Notice of Antidumping Duty Order: Uncovered Innerspring Units from the People's Republic of China*, 74 FR 7661 (February 19, 2009) ("Order").

² The Petitioner is Leggett & Platt Inc. (hereinafter "Petitioner").

³ See *Request for Antidumping Administrative Review of the Antidumping Duty Order on Uncovered Innerspring Units from the People's Republic of China*, dated February 27, 2015.

⁴ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 80 FR 18202 (April 3, 2015) ("Initiation Notice"). We note that the *Initiation Notice* appeared to identify "Macao Commercial" and "Industrial Spring Mattress Manufacturer" as two separate companies. However, the name of the single company for which a review was requested was actually "Macao Commercial and Industrial Spring Mattress Manufacturer," and we clarify now that this is the correct name of the company under review.

⁵ See *Letter to East Grace Corporation*, dated May 11, 2015, and *Letter to Macao Commercial and Industrial Spring Mattress Manufacturer*, dated May 11, 2015.

provided for convenience and customs purposes only; the written description of the scope of the order is dispositive.⁶

Methodology

The Department conducted this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act). For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.⁷ The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("ACCESS"). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/enforcement/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Preliminary Determination of No Shipments

In its certified response to the Department's standard antidumping duty questionnaire, Macao Commercial stated that it had no shipments of PRC origin innersprings to the United States during the POR. Between June 6, 2015 and December 24, 2015, the Department issued supplemental questionnaires to Macao Commercial to verify this no shipments claim. Additionally, to corroborate Macao Commercial's no shipments claim, the Department submitted

⁶ For a full description of the scope of the *Order*, *see* Decision Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, entitled "Preliminary Results of 2014-2015 Antidumping Duty Administrative Review: Uncovered Innerspring Units from the People's Republic of China" ("Preliminary Decision Memorandum"), issued concurrently with and adopted by this notice.

⁷ A list of topics discussed in the Preliminary Decision Memorandum is provided at Appendix I to this notice.

a formal query to U.S. Customs & Border Protection (“CBP”), the results of which did not provide any evidence that contradicts Macao Commercial’s claim of no shipments. Thus, the Department preliminarily determines that Macao Commercial had no shipments of innerspring units of PRC origin to the United States during the POR and, therefore, had no reviewable entries.⁸ In addition, consistent with the Department’s practice in nonmarket economy cases, the Department finds that it is appropriate not to rescind the review, in part, in these circumstances, but rather to complete the review with respect to Macao Commercial and issue appropriate instructions to CBP based on the final results of the review.⁹

Companies That Did Not Establish Their Eligibility for a Separate Rate

In our *Initiation Notice*, we stated, “[f]or exporters and producers who submit a separate-rate status application or certification and subsequently are selected as mandatory respondents, these exporters and producers will no longer be eligible for separate rate status unless they respond to all parts of the questionnaire as mandatory respondents.”¹⁰ East Grace was selected as a mandatory respondent in the instant review, but East Grace failed to respond to the Department’s antidumping duty questionnaire, and East Grace did not submit a no-shipments certification. Therefore, we preliminarily find that East Grace is no longer eligible for separate rate status and that the PRC-wide entity includes East Grace.¹¹

We also note that the Department’s change in policy¹² regarding conditional review of the PRC-wide entity applies to this administrative review.¹³ Under this policy, the PRC-wide

⁸ For more detail see Preliminary Decision Memorandum.

⁹ See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-95 (October 24, 2011).

¹⁰ See *Initiation Notice*, 80 FR at 18203.

¹¹ See section 776(b) of the Act.

¹² See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963 (November 4, 2013).

entity will not be under review unless a party specifically requests, or the Department self-initiates, a review of the entity. Because no party requested a review of the PRC-wide entity in this review, the PRC-wide entity is not under review and therefore its rate is not subject to change. The rate previously established for the PRC-wide entity in this proceeding is 234.51 percent.

*Public Comment and Opportunity to Request a Hearing*¹⁴

Interested parties may submit case briefs within 30 days after the date of publication of these preliminary results of review.¹⁵ Rebuttals to case briefs, which must be limited to issues raised in the case briefs, must be filed within five days after the time limit for filing case briefs.¹⁶ Parties who submit arguments are requested to submit with the argument (a) a statement of the issue, (b) a brief summary of the argument, and (c) a table of authorities.¹⁷ Parties submitting briefs should do so pursuant to the Department's electronic filing system, ACCESS.

Any interested party may request a hearing within 30 days of publication of this notice.¹⁸ Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.¹⁹ If a request for a hearing is

¹³ Under this policy, the PRC-wide entity will not be under review unless a party specifically requests, or the Department self-initiates, a review of the entity. Because no party requested a review of the PRC-wide entity in this review, the entity is not under review.

¹⁴ Normally, the Department discloses to interested parties the calculations performed in connection with a preliminary results result of review within five days of the date of publication of the notice of preliminary results in the *Federal Register*, in accordance with 19 CFR 351.224(b). However, because the Department has preliminarily determined that East Grace is ineligible for a separate rate and that Macao Commercial had no shipments during the POR, there are no calculations to disclose.

¹⁵ See 19 CFR 351.309(c)(1)(ii).

¹⁶ See 19 CFR 351.309(d).

¹⁷ See 19 CFR 351.309(c)(2), (d)(2).

¹⁸ See 19 CFR 351.310(c).

¹⁹ *Id.*

made, parties will be notified of the time and date for the hearing to be held at the U.S.

Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230.²⁰

The Department intends to issue the final results of this administrative review, which will include the results of our analysis of any issues raised in case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, unless extended, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.²¹ The Department intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review. We intend to instruct CBP to liquidate relevant entries from the PRC-wide entity (including East Grace) at the current rate for the PRC-wide entity (*i.e.*, 234.51 percent). For Macao Commercial, which we preliminarily find had no shipments during the POR, we intend to instruct CBP to liquidate any suspended entries of subject merchandise that entered under that exporter's case number (*i.e.*, at that exporter's rate) at the PRC-wide rate.²²

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this review for shipments of the subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by sections 751(a)(2)(C) of the Act: (1) For any companies listed that have a separate rate, the cash deposit rate will be that established in the final results of this review (except, if the rate is zero or *de minimis*, then zero cash deposit will be required); (2) for previously investigated or reviewed

²⁰ See 19 CFR 351.310(d).

²¹ See 19 CFR 351.212(b).

²² *Id.*

PRC and non-PRC exporters not listed that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be that for the PRC-wide entity; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during the POR. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

These preliminary results are being issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: March 2, 2016.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum:

1. Summary
2. Case History
3. Scope of the Order
4. Discussion of the Methodology
 - a. Non-Market Economy Status
 - b. Companies that Did Not Establish Their Eligibility for a Separate Rate
 - c. Preliminary Determination of No Shipments
5. Recommendation

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